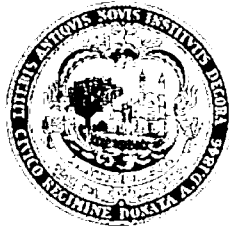


Donald A. Drisdell
City Solicitor

Nancy E. Glowa
Deputy City Solicitor

Arthur J. Goldberg
First Assistant City Solicitor



Assistant City Solicitors

Vali Buland
Paul S. Kawai
Elizabeth A. Shaw
Samuel A. Aylesworth
Amy L. Witts

CITY OF CAMBRIDGE

Office of the City Solicitor
795 Massachusetts Avenue
Cambridge, Massachusetts 02139

December 20, 2010

Robert W. Healy
City Manager
City Hall
Cambridge, MA 02139

Re: Awaiting Report No. 10-115 re: report on the court's ruling in favor of the plaintiffs at 303 Third Street and the impact on affordable housing units in the building

Dear Mr. Healy:

In response to the above Awaiting Report, please be advised of the following. In the case of *William Crowley, Jr., M.D. et al. v. 303 Third SPE LLC*, seventeen plaintiffs sued the 303 Third Street SPE LLC seeking specific performance of purchase and sale agreements for residential condominiums. The litigation has now been resolved. The court issued an order in the case requiring the property owners to convert the property to condominiums and to offer thirteen of the residential units for sale to the plaintiffs. The court acknowledged that the remaining units in the property may remain as rental units.

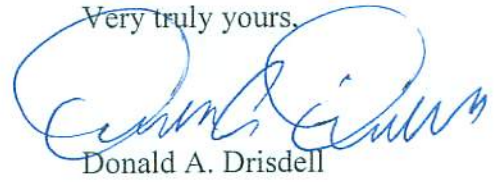
Under the City's Inclusionary Zoning Ordinance, Section 11.200 et seq. of the Cambridge Zoning Ordinance, a property owner constructing or making substantial renovations to projects involving ten or more units of housing is subject to the provisions of the Ordinance and must provide a certain number of units to be used for affordable housing. At 303 3rd Street, 22 of the 190 units are Affordable Units. Under the Ordinance, if the project is a rental project, the inclusionary units must be rental units; and if the project involves sales of homeownership units, the inclusionary units must be homeownership units. Where units at 303 3rd Street have been made available as rental units, inclusionary units at 303 3rd Street have been rented to eligible households.

The ordinance requires that the Affordable Units in the project "mirror" the project as a whole. The City's standard Affordable Housing Covenant contains provisions allowing conversion by an owner from a rental property to a homeownership property provided that the Affordable Units in the project continue to mirror the project as a whole. In the case of a partial conversion to home ownership the property owner is required to convert a comparable percentage of the Affordable Units from rental to homeownership.

Under the provisions of the court order in this case, the property owners are being compelled to sell units to the plaintiffs. Depending upon the number of units the plaintiffs purchase, the property owners will place affordable homeownership restrictions on the comparable percentage of Affordable Units. We expect that up to two Affordable Units could become homeownership units.

When it is known how many units have been sold to the plaintiffs, we will work with the Community Development Department to prepare for the conversion of the appropriate Affordable Units to homeownership status for sale to eligible homebuyers.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Donald A. Drisdell", is written over the typed name. The signature is fluid and cursive, with a large initial "D" and "A".

Donald A. Drisdell